



The 285<sup>th</sup> meeting of the Rhode Island Student Loan Authority was held on **Friday, June 17, 2011** in the 2<sup>nd</sup> floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Santoro  
Dr. Croasdale  
Mr. Howell  
Mr. Josh Brumberger, Designee of the General Treasurer

Members absent:

Dr. McKenna  
Ms. Doyle

Others in attendance:

Mr. Charles Kelley  
Mr. Noel Simpson  
Mr. Joseph Palumbo  
Ms. Jennifer Dutch  
Mr. Kevan McAleer  
Mr. David DeBlois  
Ms. Jane Creta  
Ms. Gail Mance-Rios

The meeting was called to order by Dr. Santoro at 9:04 a.m.

Upon a motion made by Dr. Croasdale and seconded by Mr. Brumberger it was unanimously

**VOTED:           to accept and approve the minutes of the March 31, 2011 Board Meeting.**

**Chairman's Report:**

Dr. Santoro did not have a report.

**Executive Director's Report:**

Mr. Kelley briefly discussed the progress of the conversion of the servicing of RISLA's private loans from Granite State to RISLA for in-house servicing.

**College Planning Center Update:**

Mr. DeBlois discussed the new web-based appointment software his staff is utilizing, which will present better reporting of those being helped. He also briefly discussed the PawSox scholarship presentation. He mentioned that the Sherlock Scholarships will be presented Tuesday, June 21<sup>st</sup> at the State House at 6 p.m.

**Financial Report Update:**

It was discussed that a finance committee meeting will be scheduled.  
Dr. Santoro inquired about the status of purchase of auction rate bonds.

**Action item #1 – Resolution for Extension of State Street Letter of Credit:**

Mr. Kelley described the transaction and board members asked questions about it.

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

**VOTED: to approve the authorizing resolution regarding the Extension of the Letter of Credit with State Street.**

**Action Item #2 – Loan Forgiveness:**

Mr. Kelley described the loan forgiveness programs RISLA administered between 2000 and 2008. Approximately \$800,000 in loans has been forgiven. He stated that RISLA has been authorized by the rating agencies to forgive \$1,000,000 for 2011/2012. RISLA is able to keep 2% of the spread and anything over that goes back to the federal government. It would be a taxable event for the borrower if the amount of principal forgiven in any year is over \$600. Interest forgiveness is not a taxable event Mr. Kelley noted that there is no longer a shortage of teachers, but there continues to be a shortage of nurses. A discussions ensued as to other areas that might benefit from loan forgiveness. Mr. Kelley noted that the program would only be available to borrowers who have a RISLA loan and work in RI. Mr. Brumberger suggested partnering with NE Tech. Dr. Croasdale questioned if the loans are dischargeable in bankruptcy. Mr. Kelley answered that the proposal in Congress is for education loans made by for profit lenders to be dischargeable, but not loans made by RISLA or another governmental agency. Mr. Kelley indicated that the terms of forgiveness would be 0% interest for up to four years and the borrower must work more than half time in direct patient care in Rhode Island. Dr. Santoro asked why

four years and not five. Mr. Kelley stated it would keep the costs within the \$500-\$600 range. Dr. Croasdale asked about forgiveness for teaching, physics, chemistry and math. Dr. Santoro suggested entrepreneurship. Mr. Kelley stated that he would need to check on expanding the program.

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

**VOTED: to approve an interest forgiveness program for students who obtain a RISLA RIFEL loan commencing with the 2011-12 academic year and who thereafter work as RN's in the State of Rhode Island, such individuals to receive a 0% interest benefit for each year they work as an RN in Rhode Island for up to four years.**

Upon a motion made by Dr. Croasdale and seconded by Mr. Brumberger, it was unanimously

**VOTED: to adjourn at 9:49 a.m.**

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John Howell  
Secretary